

Before the  
Federal Communications Commission  
Washington, D.C. 20554

In the matter of	)	
	)	
Implementation of Section 304	)	
Of the Telecommunications Act	)	
Of 1996	)	CS Docket No. 97-80
	)	
Commercial Availability	)	
Of Navigation Devices	)	

Declaration of Jack W. Chaney

I, Jack Chaney, do hereby declare as follows:

This Declaration is made in response to the Declarations of Kevin S. Wirick of Motorola, made on December 26, 2002, and William Wall, of Scientific Atlanta, made on December 20, 2002, filed with the Commission by the National Cable & Telecommunications Association (NCTA) on January 7, 2003. These Motorola and Scientific Atlanta Declarations were filed by NCTA in response to my prior Declaration, filed by the Consumer Electronics Retailers Coalition (CERC), that took issue with claims pertaining to the cost of PODs and the POD-host interface, made previously under NCTA auspices. The Scientific Atlanta and Motorola Declarations make several observations, assertions, and claims of "admissions" which I know to be untrue.

(1) First, Mr. Wirick claims that unlike leading manufacturers, such as Motorola, I do not have extensive experience with POD-Host Specifications. This is incorrect. I spent more than two years trying to qualify an OpenCable Pod Host at CableLabs, in the CableLabs "interop." At the time of my participation, more than five large consumer electronics companies, such as: Samsung, Philips, Sony, Thomson, Panasonic; and more than 5 Conditional Access Vendors, such as Nagra, NDS, Cryptowerks, and Irdeto, were participating and anxious to bring products to market. Both POD modules and POD Hosts were under construction. I am all too aware of what is involved in specifying and building both the POD and the Host interface, and of the specific causes of the frustration that these competitive product manufacturers and CA vendors experienced.

(2) Mr. Wirick asserts that the NRSSA "smart cards" whose volume costs I cited as a benchmark are "...much less physically complex" than POD modules. Actually, they are equivalent in complexity. Nor is either more secure than the other. Both the POD and the NRSSA card are based on electronics on silicon, the POD having 68 ports of entry and the NRSSA card only 8 -- similar to one house having 8 windows and one

having 68. The complexity and functionality are very comparable. Like the POD, the NRSSA module has a defined methodology to process both downstream and upstream data. The POD specification has additionally added an out of band channel capability, which can be addressed in the NRSSA card in several ways.<sup>1</sup> It is also asserted that the larger, PCMCIA form factor should cause PODs to be appreciably more expensive than NRSS-A cards, and that this is reflected in the price of existing telephone modem products and wireless devices. In fact, the 68-pin PCMCIA cards themselves can be found today at *retail* for under \$5. See, e.g., <http://shop.store.yahoo.com/justdeals/brom10etpcca.html>.

(3) Mr. Wirick's Declaration contains an aside claiming that I "admit" that "no NRSS-A devices have been produced on a commercial basis". I neither said nor "admitted" this because it is the opposite of the truth. Thomson Consumer Electronics (TCE) produced the DTC-100 model in 1998 and 1999 that is capable of NRSSA operation. This product is being used by consumers today. Teralogic, Inc. (now owned by Oak Technology) has produced over one million "811/ 855" devices that have a glueless NRSSA interface. That interface is deployed in their newly announced "9xx" family of devices. These devices are used in Mitsubishi and TCE digital televisions, and in Samsung's DirecTV Set Top Boxes. These products are on sale today in retail stores across the United States.

(4) Mr. Wirick refers to "...hypothetical NRSS-A smart cards" as a basis for my Declaration. Mr. Wall adds: "Most notably, these estimates are based entirely on Mr. Chaney's unsubstantiated assertions regarding the cost of manufacturing smart cards based on the National Renewable Security Standard – Part A (NRSS PartA) specification." Nothing in my Declaration was either hypothetical or unsubstantiated. There are no guesses in my price quotes, since they are based on chip prices quoted by ST Microelectronics, software from a well known security software vendor, and a plastic card manufacturer to do chip embedding and card embossing. These are valid quotes from well respected electronics industry suppliers. ***I am prepared to deliver NRSSA product at the stated rates, on the advertised schedule.***

(5) Nothing in the Declarations of Mr. Wirick or Mr. Wall causes me to revise, retract, or qualify any statement in my prior Declaration, the major points of which are:

- a. The NRSSA module hardware can be delivered in a workable form for from \$4 to \$8 per card. And the host NRSSA interface cost is very small.

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<sup>1</sup> Since the current NRSSA card is capable of processing data at about 55 Million bits per second(Mbps), and the current in-band transport data is 38 Mbps in digital cable systems, there is about 17 Mbps of head room in the NRSSA card. I believe that the highest out of band (OOB) data rate is about 3 Mbps. So that data may be multiplexed (mixed with a marker) on the input side and processed internally in the NRSSA card then de-multiplexed (separated ) on the output side. In that way the NRSSA card is just as capable as the POD module. Also, the current NRSSA card does have a copy protection feature for its interface as well.

- b. After 5 million PODs are built, I believe, the production cost of POD modules will sink to \$15. And the host POD interface cost will be very small.

Respectfully submitted,

***Jack W. Chaney***

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